

Senate File 2052 - Introduced

SENATE FILE _____
BY DANIELSON, HATCH, BEALL,
BLACK, KIBBIE, APPEL,
COURTNEY, FRAISE, DEARDEN,
WOOD, OLIVE, QUIRMBACH,
HANCOCK, HOGG, SENG, HORN,
DVORSKY, HECKROTH, DOTZLER,
SCHMITZ, RAGAN, STEWART,
CONNOLLY, SCHOENJAHN,
BOLKCOM, McCOY, and KREIMAN

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing standardized requirements for long-term care
2 insurance policies advertised, marketed, offered, delivered,
3 or issued for delivery in the state, and providing an
4 applicability date.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 5964SS 82
7 av/rj/14

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1 1 Section 1. Section 514G.7, subsection 1, Code 2007, is
1 2 amended to read as follows:
1 3 1. RULES.
1 4 a. The commissioner shall adopt rules establishing
1 5 standard provisions for terms and benefits required to be
1 6 included in a long-term care insurance policy advertised,
1 7 marketed, offered, delivered, or issued for delivery in this
1 8 state. The rules shall establish a standard format for such
1 9 long-term care insurance policies to facilitate ease of
1 10 comparison of the various policies by consumers.
1 11 b. The commissioner may shall adopt rules for full and
1 12 fair disclosure of the terms and benefits of a long-term care
1 13 insurance policy, including but not limited to rules setting
1 14 forth the manner, content, and required disclosures for the
1 15 sale of long-term care insurance policies, terms of
1 16 renewability, initial and subsequent conditions of
1 17 eligibility, nonduplication of coverage provisions, coverage
1 18 of dependents, preexisting conditions, termination of
1 19 insurance, probationary periods, limitations, exceptions,
1 20 reductions, elimination periods, requirements for replacement,
1 21 recurrent conditions, and definitions of terms.
1 22 Sec. 2. Section 514G.10, Code 2007, is amended to read as
1 23 follows:
1 24 514G.10 LONG-TERM CARE CONSUMER GUIDE.
1 25 An insurer offering a long-term care insurance policy to
1 26 any person shall provide to the applicant the current
1 27 long-term care insurance consumer guide prescribed by the
1 28 insurance division of the department of commerce. The
1 29 long-term care insurance guide prescribed by the insurance
1 30 division shall include a description of the standard terms and
1 31 benefits required to be included and the standard format
1 32 required to be used in such a long-term care insurance policy
1 33 in this state. The commissioner of insurance may by reference
1 34 adopt or permit the use of the long-term care insurance
1 35 consumer guide developed by the national association of
2 1 insurance commissioners, the blue cross and blue shield
2 2 association, or the health insurance association of America,
2 3 if the consumer guide that is adopted or permitted to be used
2 4 by reference meets all the requirements of this section.
2 5 Delivery of the long-term care insurance consumer guide shall
2 6 be made if a policy is advertised, solicited, or issued as a
2 7 policy as defined in this chapter, or if it is subject to this
2 8 chapter, regardless of the label applied by the insurer.
2 9 Except in the case of direct response insurers, delivery of
2 10 the long-term care insurance consumer guide shall be made to

2 11 the applicant at the time of application, and acknowledgment
2 12 of receipt of the long-term care insurance consumer guide
2 13 shall be obtained by the insurer. A direct response insurer
2 14 shall deliver the long-term care insurance consumer guide to
2 15 the applicant at the time the policy is delivered. An
2 16 insurance company required to distribute the guide shall
2 17 reimburse the state for all costs associated with the guide.
2 18 Sec. 3. APPLICABILITY. This bill applies to long-term
2 19 care insurance policies advertised, marketed, offered,
2 20 delivered, or issued for delivery in this state on or after
2 21 July 1, 2008.

2 22 EXPLANATION

2 23 This bill establishes standardized requirements for
2 24 long-term care insurance policies advertised, marketed,
2 25 offered, delivered, or issued for delivery in the state.

2 26 The bill amends Code section 514G.7 to require the
2 27 commissioner of insurance to adopt rules establishing standard
2 28 provisions for terms and benefits that must be included in a
2 29 long-term care insurance policy advertised, marketed, offered,
2 30 delivered, or issued for delivery in this state. The
2 31 commissioner is also required to adopt rules that establish a
2 32 standard format for such policies to facilitate ease of
2 33 comparison of the various policies by consumers.

2 34 The bill amends Code section 514G.10 to require that the
2 35 long-term care insurance consumer guide prescribed by the
3 1 insurance division of the department of commerce must include
3 2 a description of the standard terms and benefits, and format
3 3 that are required to be included or used in long-term care
3 4 insurance policies in Iowa. A provision allowing the
3 5 commissioner of insurance to by reference adopt or permit the
3 6 use of long-term care insurance consumer guides prepared by
3 7 other specified entities is amended to allow such adoption or
3 8 use by reference only if the consumer guide meets all the
3 9 requirements of the Code section.

3 10 The bill is applicable to long-term care insurance policies
3 11 advertised, marketed, offered, delivered, or issued for
3 12 delivery on or after July 1, 2008.

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